



# Kandagiri Spinning Mills Ltd.

Ref: KSML/CS/ 044/2019-20

14<sup>th</sup> January, 2020

To

Bombay Stock Exchange Limited,  
Floor 25, P.J.Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sir,

**Sub: Enclosure of Postal Ballot Notice and Text of Newspaper Advertisement**

**Ref: Regulation 44 and 47(1) & (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In continuation of our earlier communication vide KSML/CS/ 042/2019-20 dt. 06.01.2020 and in accordance with the above referred regulations, we herewith enclosed a copy of the Postal Ballot notice dt. 05.01.2020 seeking members' consent through postal ballot (which includes electronic voting) in respect of all the resolutions stated in the Postal Ballot notice.

We also herewith enclosed text of the newspaper publication (with respect to the Postal ballot notice) being arranged for publication in English and regional language newspapers (Trinity Mirror and Makkal Kural) on 15<sup>th</sup> January, 2020.

Kindly take the same for your information and records.

Thanking you,

Yours faithfully,  
For Kandagiri Spinning Mills Limited

**J. Asifa**  
Company Secretary

Encl:

1. Postal Ballot Notice.
2. Text of Newspaper Publication.



CIN : L1711ITZ1976PLC000762

Regd. Off: Mill Premises, Udayapatti (P.O), P.B.No.3, Salem – 636 140. Phone : Mill 0427-2244400

Fax:0427-2244422; Grams: SUPERSPINE; e-mail:sales@kandagirimills.com; Web.: www.kandagirimills.com





## KANDAGIRI SPINNING MILLS LIMITED

Post Box No.3, Udayapatti, Salem - 636 140.

Ph. 0427-2244400; Fax-0427-2244422, CIN : L17111TZ1976PLC000762

E-mail: sales@kandagirimills.com; ksmcs@kandagirimills.com

Website : www.kandagirimills.com

### NOTICE OF POSTAL BALLOT

*[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]*

#### **NOTICE TO THE SHAREHOLDERS**

Notice is hereby given pursuant to section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Management and Administration) Rules, 2014, as amended from time to time and Secretarial Standard (SS-2), for seeking consent of the shareholders by way of postal ballot/electronic voting ("e- voting") in respect of the resolutions stated in this notice.

Board of Directors has appointed Shri B.Kalyanasundaram, Practising Company Secretary (Membership No. 672; COP No: 2209) of M/s B. K. Sundaram & Associates, Company Secretaries, as the Scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner.

Consent of the Members is requested for the proposed resolutions as stated against special business agenda item Nos. 1 to 8 in the notice. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, pertaining to the said Resolutions, setting out material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form ("**Form**") for your consideration.

Members are requested to carefully read the instructions printed in the Form, record their assent or dissent and return the Form, in original duly completed and signed in the enclosed self addressed business reply envelope so as to reach the Scrutinizer on or before **15.02.2020** by 5.00 P.M. Please note that any Postal Ballot Form(s) received after the said date and time will be treated as not received.

In compliance with the provisions of Section 108, 110 and other applicable provisions of the Companies Act, 2013 read with rules thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has also extended e-voting facility as an alternate for its members to enable them to cast their votes electronically instead of dispatching Form(s). The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for providing e-voting facility to all its members. Detailed instructions to use the e-voting facility are given in this Notice.

The Scrutinizer will submit his report to the Chairman and/or Managing Director of the Company after completion of the scrutiny of the Forms (including e-voting) and the results of the Postal Ballot will be announced on **17.02.2020** and the same will be displayed on the Notice Board at the Registered Office of the Company. The results will also be displayed on the Company's website at [www.kandagirimills.com](http://www.kandagirimills.com) and will also be communicated to the stock exchanges where the shares of the Company are listed. The Resolution(s), if approved by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.



**PROPOSED RESOLUTIONS**

**Special Business**

**1. Approval for sale of Plant and machinery of Unit-I of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolutions :

RESOLVED THAT in accordance with the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) and subject to approval of the Company's Bankers and such other approvals, consents and permissions from the appropriate authorities to the extent applicable and necessary, consent be and is hereby accorded to the Board of Directors of the Company (hereinafter called the "Board") for sale of Plant and machinery (consisting of 27212 spindles) installed in Unit-I of the Company situated at Udayapatti, Salem – 636140 at a price of not less than Rs 18.16 crore (plus applicable GST), which is the fair value of the plant and machinery.

RESOLVED FURTHER that the board be and is hereby authorized to sell or dispose off the plant and machinery either on piecemeal or in single lot as the circumstances warrant.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions of the above sale, to execute all the necessary agreements, deeds and other documents and to do all such acts, deeds and things as may be necessary, usual or expedient for giving effect to the above resolutions and also agree to any amendments thereto from time to time as it may think fit in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that the board be and is hereby authorized to sub-delegate the powers to any committee of directors / one or more directors / executive(s) of the Company on such terms and conditions as the board may decide from time to time.

**2. Approval for Lease of Land and building of Unit-I of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions :

RESOLVED THAT in accordance with the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) and subject to approval of the Company's Bankers and such other approvals, consents and permissions from the appropriate authorities to the extent applicable and necessary, consent be and is hereby accorded to the Board of Directors of the Company (hereinafter called the "Board") for leasing of entire land and building of Unit-I of the Company (land measuring 4 acres having built area of 1,20,756 sq. ft) situated at Udayapatti, Salem – 636140, at a lease rent of not less than Rs 15 lakhs per month (plus applicable GST), at par with the prevailing market standards.

RESOLVED FURTHER that the board be and is hereby authorized to fix the lessee, fix the lease rent, define the terms and conditions of lease, to enter into proper lease agreement with powers incorporated therein inter-alia, to revise the same and to terminate the lease agreement from time to time in the best interest of protecting the properties of the Company without losing its ownership thereon without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that the board be and is hereby authorized to sub-delegate the powers to any committee of directors / one or more directors / executive(s) of the Company on such terms and conditions as the board may decide from time to time.



**3. Approval for sale of Plant and Machinery of Unit-I of the Company to Related Party**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolutions :

RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions, if any, and subject to the approval of the resolutions by the shareholders under Agenda item No.1 supra, consent of the members be and is hereby accorded to the Board of Directors for sale of Plant and machinery (consisting of 27212 spindles) installed in Unit-I of the Company situated at Udayapatti, Salem – 636140 to related party M/s. Sambandam Spinning Mills Limited at a price of not less than Rs 18.16 crore (plus applicable GST), which is the fair value of the plant and machinery.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions of the above sale, to execute all the necessary agreements, deeds and other documents and to do all such acts, deeds and things as may be necessary, usual or expedient for giving effect to the above resolutions and also agree to any amendments thereto from time to time as it may think fit in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the board be and is hereby authorized to sub-delegate the powers to any committee of directors / one or more directors / executive(s) of the Company on such terms and conditions as the board may decide from time to time.

**4. Approval for Lease of Land, Building, other infrastructural facilities of Unit-I of the Company to Related party and for providing management and supervision services to Related Party**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:

RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions, if any, and subject to the approval of the resolutions by the shareholders under Agenda item No.2 supra, consent of the members be and is hereby accorded to the Board of Directors.

- a) for lease of land and building of the Company to M/s. Sambandam Spinning Mills Limited (land measuring 4 acres having built area of around 1,20,756 sq. ft) situated at Udayapatti, Salem – 636140 for a period of six years at a lease rent at par with the prevailing market standards of not less than Rs 15 lakhs per month (with a lease rent deposit of Rs 15 lakhs), plus applicable GST and excluding power & electricity charges and labour charges (all three items) at actual which shall be paid by the lessee in addition to the lease rent stated supra.
- b) for providing the infrastructural facilities of the Company such as Water, communication systems, Information Technology, furniture & fixtures, licenses, etc to M/s.Sambandam Spinning Mills Limited at an 'infrastructure Charges' of not more than Rs 1 lakh per month plus applicable GST.
- c) for rendering "Management and supervision" services to M/s.Sambandam Spinning Mills Limited 636140 for carrying out their business activity in the above said leased premises at a service fee of not more than Rs 5 lakhs per month plus applicable GST.



RESOLVED FURTHER that the board be and is hereby authorized to fix the lessee, fix the lease rent, define the terms and conditions of lease, to enter into proper lease agreement with powers incorporated therein inter-alia, to revise the same and to terminate the lease agreement from time to time in the best interest of protecting the properties of the Company without losing its ownership thereon without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that the board be and is hereby authorized to enter into necessary agreements in connection with providing the infrastructural facilities and for rendering Management & supervision services, fix the charges / service fee therefor, define the terms and conditions, to revise the same and to terminate the agreement(s) from time to time in the best interest of the Company.

RESOLVED FURTHER that the board be and is hereby authorized to sub-delegate the powers to any committee of directors / one or more directors / executive(s) of the Company on such terms and conditions as the board may decide from time to time.

**5. Approval to give loans and/or give guarantees and/or provide securities in connection with loan to any person or Body Corporate and/or make inter-corporate investments by way of subscription, purchase or otherwise of securities of any Body Corporate**

To consider and if thought fit, to pass the following resolutions with or without modification(s) as Special Resolutions:

RESOLVED THAT pursuant to Section 186 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014, including modifications and amendments, if any, the Board of Directors of the Company be and are hereby authorized to give from time to time loans or give from time to time guarantees and/or provide from time to time securities in connection with loans to any person or Body Corporate and/or make from time to time inter-corporate investments by way of subscription, purchase or otherwise of securities of any Body Corporate in excess of the limits prescribed under Section 186 of the Companies Act, 2013, subject to the maximum aggregate amount (including the loans and/or investments and / or guarantee and/or securities already made or provided) not exceeding Rs 25 crore (Rupees Twenty five crore) only.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof) be and are hereby authorized to finalize, settle and execute such agreements, documents, deeds, writings or papers and to do all such acts, deeds, matters and things, as may be required, to give effect to the above mentioned resolution.

RESOLVED FURTHER that the board be and is hereby authorized to sub-delegate the powers to any committee of directors / one or more directors / executive(s) of the Company on such terms and conditions as the board may decide from time to time.

**6. Approval to provide security and/or giving of guarantee in connection with loans borrowed/to be borrowed by M/s. Sambandam Spinning Mills Limited**

To consider and if thought fit, to pass the following resolutions with or without modification(s) as Special Resolutions:

RESOLVED THAT pursuant to Section 185 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014, including modifications and amendments, if any and other applicable provisions, if any, the Board of Directors of the Company be and are hereby authorized to provide the land and building of Unit-I of the Company (land measuring 4 acres having built area of 1,21,756 sq. ft) situated at Udayapatti, Salem – 636140 as security and / or giving of guarantee in favour of CSB Bank ("the Bank") in connection with the loans borrowed/ to be borrowed by M/s.Sambandam Spinning Mills Limited [CIN: L17111TZ1973PLC000675] from the Bank, subject to the maximum aggregate



amount of Rs 12.70 crore (Rupees twelve crore and seventy lakhs only) and authorized to provide the said land and building as security and /or giving of guarantee in favour of one or more banks in connection with the loans borrowed /to be borrowed by M/s. Sambandam Spinning Mills Limited [CIN: L17111TZ1973PLC000675], subject to the maximum aggregate amount of Rs 20 crores [Rupees Twenty Crores only].

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof) be and are hereby authorized to finalize, settle and execute such agreements, documents, deeds, writings or papers and to do all such acts, deeds, matters and things, as may be required, to give effect to the above mentioned resolution.

RESOLVED FURTHER that the board be and is hereby authorized to sub-delegate the powers to any committee of directors / one or more directors / executive(s) of the Company on such terms and conditions as the board may decide from time to time.

**7. Approval under reg. 23 of SEBI (LODR) Regulations, 2015 for related party transaction of providing security and/or giving of guarantee in connection with loans borrowed/to be borrowed by M/s.Sambandam Spinning Mills Limited**

To consider and if thought fit, to pass the following resolutions with or without modification(s) as Ordinary Resolutions:

RESOLVED THAT pursuant to regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if , any, the Board of Directors of the Company be and are hereby authorized to provide the land and building of Unit-I of the Company (land measuring 4 acres having built area of 1,21,756 sq. ft) situated at Udayapatti, Salem – 636140 as security and/or giving of guarantee in favour of CSB Bank ("the Bank") in connection with the loans borrowed/ to be borrowed by the related party M/s. Sambandam Spinning Mills Limited [CIN: L17111TZ1973PLC000675] from the Bank, subject to the maximum aggregate amount of Rs 12.70 crore (Rupees twelve crore and seventy lakhs only) and authorized to provide the said land and building as security and /or giving of guarantee in favour of one or more banks in connection with the loans borrowed / to be borrowed by the related party M/s. Sambandam Spinning Mills Limited [CIN: L17111TZ1973PLC000675], subject to the maximum aggregate amount of Rs 20 crores [Rupees Twenty Crores only].

RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all the necessary agreements, deeds and other documents and to do all such acts, deeds and things as may be necessary, usual or expedient for giving effect to the above resolutions and also agree to any amendments thereto from time to time as it may think fit in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that the board be and is hereby authorized to sub-delegate the powers to any committee of directors / one or more directors / executive(s) of the Company on such terms and conditions as the board may decide from time to time.



**8. To alter the objects clause of the Memorandum of Association of the Company**

To consider and if thought fit, to pass the following resolutions with or without modification(s) as Special Resolutions:

RESOLVED THAT pursuant to Section 4, Section 13 and other applicable provisions of the Companies Act, 2013 read with Rules made there under including modifications and amendments, if any, and regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, and subject to the approval of the Registrar of Companies, Coimbatore and/or such other authorities under the provisions of the Companies Act, 2013, that after the existing Object Clause 3 in Para III (A) of the Memorandum of Association, new Object Clause Nos. 4 to 6 be and are added as follows:

- 4) To carry on the business of providing lease of immovable and movable properties of all kinds belonging to the Company.
- 5) To carry on in India or elsewhere, either alone or jointly, with one or more persons, firms, companies, Bodies Corporates, LLP's, LLC's, with Governments, Local or Other Bodies, on own basis or on contractual basis or on lease basis or on franchisee basis, or on agency basis or on profit sharing basis or on consultancy basis, the business of acting as buyers, sellers, assemblers, importers, exporters, suppliers, hirers, leasers, repairers, maintainers of all types of engineering equipments, spares, consumables, tools, plant and machinery required for textile industry and to all other types of Industries.
- 6) To Carry on in India or elsewhere, either alone or jointly, with one or more persons, firms, companies, Bodies Corporates, LLP's, LLC's, with Governments, Local or Other Bodies, on own basis or on contractual basis or on lease basis or on franchisee basis, or on agency basis or on profit sharing basis or on consultancy basis the business of fabricating, erecting and commissioning all types of engineering projects on turnkey basis or on contract basis or on Build, Own, Transfer (BOT) system, or on Build own operate (BOO) system or on Build, Own, Operate and Transfer (BOOT) system and to act as Engineering Consultants, Advisors, Planners, Designers, estimators, project promoters in all types of textile industries and to all other types of industries.

RESOLVED FURTHER THAT any of the Directors of the Company and/or Company Secretary of the Company or any officer/executive/representative and/or any other person so authorized by the Board be and are here by severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage and accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other authority arising from or incidental to the said amendment without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

By order of the Board of Directors  
**For Kandagiri Spinning Mills Limited**

Place : Salem  
Date : 5<sup>th</sup> January, 2020

**J. Asifa**  
Company Secretary



**NOTES :-**

1. The explanatory statement setting out the material facts in respect of the above stated agenda item nos. 1 to 8, as required under Section 102 of the Companies Act, 2013 is annexed hereto.
2. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members appearing in the Company's Register of Members/record of depositories as at the close of the business hours on **5<sup>th</sup> January, 2020** ("cut-off date"). A person who is not a member as on the cut-off date should treat this notice for information purposes only.
3. Physical copy of the postal ballot notice (along with postal ballot form and self addressed business reply envelope) is being sent by the permitted mode to all the members whose names appear in the Company's Register of Members/record of depositories as at the close of the business hours on **5<sup>th</sup> January, 2020** ("cut-off date") and also electronically by e-mail to those members (as on cutoff date) who have registered their e-mail addresses and PAN with the RTA / depositories.
4. The Notice is also placed on the website of the Company i.e. [www.kandagirimills.com](http://www.kandagirimills.com) and also on the website of Central Depository Services (India) Limited.
5. All the material documents referred to in the notice and explanatory statement are available for inspection by the members at the Company's Registered Office during business hours on all its working days from the date of dispatch of the notice till **15.02.2020**.
6. The last date for receipt of postal ballot forms or e-voting i.e. **15.02.2020** shall be taken as the date of passing resolutions, if approved by requisite majority. Resolutions passed by the members through postal ballot voting facility (including voting through electronic means) shall be deemed to have been passed at a duly convened General Meeting of the members subject to receipt of the requisite number of votes in favour of the resolutions.
7. Kindly note that Members can opt for only one mode of voting i.e. either by Postal Ballot Form or e-voting. In case of receipt of vote by both the modes, voting through e-voting shall prevail and voting by Postal Ballot Form shall be treated as invalid.
8. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

**9. VOTING THROUGH PHYSICAL POSTAL BALLOT FORM**

- (i) The Members are requested to carefully read the instructions printed overleaf the Postal Ballot Form and return the Postal Ballot Form duly completed with the assent (for) or dissent (against), in the enclosed postage pre-paid self-addressed business reply envelope, so as to reach the Scrutinizer, on or before **Saturday, 15.02.2020 by 5.00 p.m.** to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
- (ii) The Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Envelopes containing Postal Ballot Form if deposited in person or sent by courier/post at the expense of the Members will also be accepted.

**10. VOTING THROUGH ELECTRONIC MEANS**

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for e-voting purpose.

The voting period begins on **Friday, 17.01.2020** at 9.00 a.m and ends on **Saturday, 15.02.2020** at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on **05.01.2020** (cut-off date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.





**Instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” “KANDAGIRI SPINNING MILLS LIMITED” from the drop down menu and click on “SUBMIT”.
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code (image verification) as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now fill up the following details in the appropriate boxes:

<b>For Members holding shares in Demat Form or in Physical Form</b>	
<b>PAN*</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company / RTA / DP are requested to use the first two letters of their name and the sequence number in the 'PAN field'. The S.L. No. printed on your address label slip pasted on the envelope added with sufficient 0s in between the first two letters of your name and the S.L. No. to fill the ten digit PAN field for this purpose, Example: If your name is Ramesh with S.L. No. 00003615 then enter RA00003615 in the 'PAN field'. If the name is V.K. Mohan with S.L. No. 00000005, enter VK00000005 in the 'PAN field'.
<b>DOB#</b>	Enter the Date of Birth (as recorded in your demat account or in the Company records for the said demat account or folio) in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

Please enter DOB or dividend bank details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (ix) Click on the EVSN for the relevant <Company Name>“ KANDAGIRI SPINNING MILLS LIMITED” on which you choose to vote.
- (x) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then, enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from Sl. no. (i) to Sl. no. (xvii) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Agenda Item No. 1 & 2 : Approval for sale of Plant and machinery of Unit I of the Company  
Approval for Lease of Land and building of Unit I of the Company**

Because of continuous cash losses incurred over the past periods and adverse market situation of fluctuating and abnormal increase in cotton prices coupled with sluggish demand for yarn with lower sale prices, the Company has been incurring substantial operating losses from the past three to four years. Hence, the cash flow of the Company is affected and the working capital of the Company has also got fully utilised. The Company had to meet the repayment of Bank term loan principal and interest and working capital interest and other operational requirements. To meet out the requirements, the promoters of the Company had also brought in additional funds by way of unsecured fixed deposits. Still, the Company is in need of funds to meet the operational requirements and also have to meet the regular repayments of Bank Borrowings.

## Kandagiri Spinning Mills Limited



By obtaining approval from the members of the Company through postal ballot resolution dated 19.12.2016, the Company had sold part of its assets viz., Windmill assets and Unit-III asset of the Company in the year 2017. Using the sale proceeds of the assets, the Company had substantially reduced the Bank Borrowings, paid off outstanding creditor payments and the remaining sale proceeds were utilised for operational requirements. Post sale of the assets, the Company had outstanding Bank Borrowings (working Capital and Term loan facilities) of Rs 39.10 crore. In order to further reduce the Bank borrowings and thereby to reduce the interest burden, with the earlier authorisation to the Board by the members through postal ballot resolution dated 19.12.2016, decision of sale of Unit-II asset and part of land and building of Unit-I of the Company was carried out and the sale is in progress. The entire sale proceeds will be utilised for reducing the Bank Borrowings. Post sale of Unit-II asset and part of land and building of Unit-I, the Company will remain with Bank Borrowings (Working Capital facility) of only Rs 13 crore.

The Company had explored various possibilities for its revival like producing value added special varieties of yarn having good price advantage, cost saving measures, etc. Though the value added special yarn varieties had improved the performance, the Company could not achieve profits because of higher raw material cost, higher interest costs and repayment obligations. The working capital of the Company has been eroded and made difficult for funding the operations of the Company. The textile industry is continuously witnessing adverse market situation of fluctuating and abnormal increase in the cotton prices coupled with sluggish demand for yarn with lower prices. The Board tried at its best to find out the ways to overcome the financial strain and to pay back the bank loans. Keeping in view of the present market situation and difficulty in servicing the interest cost and other liabilities and the Company been incurring continuous losses, the strategic proposal of closing all the Bank debts and making the Company a debt-free unit by sale of plant and machineries of Unit-I of the Company and further to lease the land and building of Unit-I of the Company where the Plant and machinery is installed, has been placed by the Board. The plant and machineries of Unit-I of the Company consisting of 27212 spindles has been valued at Rs 18.16 crore (plus applicable GST), by the registered valuers. The copy of the valuation report has been placed in the website of the Company [www.kandagirimills.com](http://www.kandagirimills.com). By receiving the sale proceeds of the plant and machinery of Unit-I, the entire Bank debts and Inter-Corporate loan availed from M/s. Sambandam Spinning Mills Limited will be closed. Only the interest free unsecured loans received from the promoter directors will remain.

The sale of plant and machinery will result in closure of spinning business operations of the Company. The land and building of Unit-I of the Company, where the Plant and machinery is installed (land measuring 4 acres having built area of 1,20,756 sq. ft situated at Udayapatti, Salem – 636140) will be given for lease and the Company will receive the lease rent as income. The lease rent will be offered at not less than Rs 15 lakhs per month (plus applicable GST), at par with prevailing real estate market standards and as further increased/modified from time to time, at par with the market standards, as authorised by the Board. The copy of the valuation report for lease rental value has been placed in the website of the Company [www.kandagirimills.com](http://www.kandagirimills.com)

Post sale of the assets, the company will remain with land and building of Unit-I (land measuring 4 acres having built area of 1,21,756 sq. ft situated at Udayapatti, Salem – 636140) having market value around Rs 9.73 crore and around 30.47 acres of windmill land in Kaniyakumari district having a market value of Rs 4.87 crore. By closing all the Bank debts and with no operating expenditure and having a regular lease income, the Company will become a risk-free and debt-free unit.

In the best interest of the Company, on the recommendation of the Audit Committee, the Board has placed this resolution before the members for their approval and recommends by way of passing of special resolution.

None of the Directors / Key Managerial Personnel or their relatives is interested or concerned in this resolution. It is further declared with reference to the proviso to sub-section 2 of Section 102 of the Companies Act, 2013 that the proposed resolutions do not have any bearing with the business of any other company.



**Agenda Item No. 3 & 4: Approval for sale of Plant and Machinery and lease of land and building of Unit I of the Company to Related Party M/s. Sambandam Spinning Mills Limited**

As explained above in explanatory statement No: 1 & 2, considering the present situation and in the best interest of the Company, the Audit Committee and the Board of Directors at their meeting held on 05.01.2020 has recommended for sale of plant and machinery of Unit-I of the Company consisting of 27212 spindles and further to give for lease of land and building of Unit-I, (land measuring 4 acres having built area of 1,20,756 sq. ft) situated at Udayapatti, Salem – 636140. In the market no body evinced interest to buy in one lot the entire plant and machinery and take on lease the land and building against payment. Only the related party M/s. Sambandam Spinning Mills Limited (SSML) in their intention to increase their installed capacity came forward to buy the Plant and machineries, take on lease the land and building and infrastructural facilities in one lot thereby enabling the company to settle all the outside liabilities once for all.

The Company had received a proposal from related party M/s. Sambandam Spinning Mills Limited (SSML) for purchase of entire Plant and Machinery (consisting of 27212 spindles) installed in Unit-I of the Company situated at Udayapatti, Salem 636140 at a fair market value of Rs 18.16 crore( Plus applicable GST). Further to take on lease of the land and building at a lease rent of not less than Rs 15 lakhs per month ( Plus applicable GST) and utilisation of infrastructural facilities and other services as given in the resolution. The lease rent offered by SSML is at par with prevailing market standards. The lease will be offered as per the terms and conditions indicated in the lease agreement with such additions or modifications from time to time in the best interest of the company, including any termination of the agreements, if required.

The Company has outstanding Inter-Corporate Borrowings (Principal and Interest as on 30.09.2019) of Rs 5.46 crore from SSML. Of the total sale value of Plant and Machinery of Rs 18.16 crore, Rs 5.46 crore will be adjusted towards repayment of Inter Corporate Borrowings to SSML and the remaining amount of Rs 12.70 crore will be paid by SSML towards purchase of Unit-I Plant and machinery. The entire sale proceeds of Plant and Machinery will be utilised for closure of all the Bank debts of the Company. Further, the liability of Inter-Corporate Borrowings of the Company will also get closed through referred sale. SSML has informed that they had been sanctioned a term loan of Rs 12.70 crore from CSB Bank for this purpose and the entire term loan will be utilised for purchase of Plant and Machinery.

The copy of the valuation report for Plant and machinery and lease rental value as per the market standards has been placed in the website of the Company [www.kandagirimills.com](http://www.kandagirimills.com)

As per the provisions of section 188 of the Companies Act, 2013 and regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the sale of plant and machinery and leasing of land and building of Unit-I of the Company to the related party M/s. Sambandam Spinning Mills Limited (SSML) requires approval from the members through passing of ordinary resolution. Accordingly, in the best interest of the company, on the recommendation of the Audit Committee, the Board of Directors has placed this resolution before the members for their approval and recommends by way of passing of ordinary resolution.

None of the Directors / Key Managerial Personnel or their relatives except Chairman and Non-Executive Director Sri S. Devarajan also being Chairman and Managing Director of M/s.Sambandam Spinning Mills Limited is interested or concerned in this resolution.

Further Details as required under proviso to sub-section 2 of Section 102 of the Companies Act, 2013

Sl. No.	Name of the Director	No. of shares held in M/s.Sambandam Spinning Mills Limited	% of shareholding
1.	S. Devarajan	480524	11.26
2.	S. Devarajan HUF	40895	0.95



**Agenda item No.5 Approval to give loans or give guarantees or provide securities in connection with loan to any person or Body Corporate or make inter-corporate investments by way of subscription, purchase or otherwise of securities of any Body Corporate**

Pursuant to Section 186 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014, the Company, is required to obtain approval of the shareholders of the Company by way of special resolution, authorizing the Board of Directors of the Company to give loans or give guarantees or provide securities in connection with loan to any person or Body Corporate or make inter-corporate investments by way of subscription, purchase or otherwise of securities of any Body Corporate.

Hence the resolutions in Item No:4 enabling the Directors to give loans or give guarantees or provide securities in connection with loan to any person or Body Corporate or make inter-corporate investments by way of subscription, purchase or otherwise of securities of any Body Corporate for a sum not exceeding Rs 25 crore (including the loans and/or investments and/or guarantee and/or securities already made or provided), is being put forth before the members for their approval by way of special resolution.

Accordingly, on the recommendation of the Audit Committee, the Board recommends the resolutions as set out in item no.5 to be passed by the members by way of Special Resolutions.

None of the Directors or Relatives of the Directors is interested or concerned in any manner in the said Resolution. It is further declared with reference to the proviso to sub-section 2 of Section 102 of the Companies Act, 2013 that the proposed resolution does not have any bearing with the business of any other Company.

**Agenda item No. 6 Approval to provide security and/or giving of guarantee in connection with loans borrowed / to be borrowed by M/s.Sambandam Spinning Mills Limited**

The Company had received a proposal from related party M/s.Sambandam Spinning Mills Limited (SSML) for purchase of Plant and Machinery installed in Unit-I of the Company situated at Udayapatti, Salem 636140 at a fair market value of Rs 18.16 crore ( Plus applicable GST) and further to take on lease of land and building of Unit-I, where the plant and machineries got installed as explained in explanatory statement No : 3 & 4. Further, SSML has informed that they had been sanctioned a term loan of Rs 12.70 crore from CSB Bank ("the Bank") for purchase of Plant and Machinery. In the sanction terms, for securing the term loan offered by them, the Bank has insisted for providing the land and building of Unit-I where the Plant and machineries got installed as collateral security and also giving of Corporate Guarantee by M/s. Kandagiri Spinning Mills Limited ("the Company") in favour of them.

Accordingly, on the request proposal received from SSML as per the Bank's sanction terms of the term loan, the Company proposes to give Corporate guarantee and to provide the land and building of Unit-I of the Company (land measuring 4 acres having built area of 1,21,756 sq. ft) situated at Udayapatti, Salem – 636140 as security in favour of CSB Bank in connection with term loan proposed to be borrowed from CSB Bank and further authorize to provide the said land and building as security and /or giving of guarantee in favour of one or more banks in connection with the loans borrowed /to be borrowed by M/s. Sambandam Spinning Mills Limited [CIN: L17111TZ1973PLC000675], a Company, in which some of the Directors of the Company are having interest as Directors/ Shareholders, subject to the maximum aggregate amount of Rs 20 crore (Rupees Twenty Crores only).

Pursuant to Section 185 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain approval of the shareholders of the Company by way of special resolution, authorizing the Board of Directors of the Company to provide aforesaid security and guarantee.

Accordingly, on the recommendation of the Audit Committee, the Board recommends the resolutions as set out in agenda item no.6 to be passed by the members by way of Special Resolutions.

None of the Directors / Key Managerial Personnel or their relatives except Chairman and Non-Executive Director Sri S. Devarajan also being Chairman and Managing Director of M/s.Sambandam Spinning Mills

## Kandagiri Spinning Mills Limited



Limited is interested or concerned in this resolution.

Further Details as required under proviso to sub-section 2 of Section 102 of the Companies Act, 2013

Sl. No.	Name of the Director	No. of shares held in M/s.Sambandam Spinning Mills Limited	% of shareholding
1.	S. Devarajan	480524	11.26
2.	S. Devarajan HUF	40895	0.95

**Agenda item No. 7 Approval under reg. 23 of SEBI (LODR) Regulations, 2015 for related party transaction of providing security and/or giving of guarantee in connection with loans borrowed/to be borrowed by M/s. Sambandam Spinning Mills Limited**

As per the explanation given under para 1 to para 4 of explanatory statement of agenda item no: 6, on the recommendation of the Audit Committee the Board has placed the proposal to give Corporate guarantee and to provide the land and building of Unit-I of the Company (land measuring 4 acres having built area of around 1,21,756 sq.ft) situated at Udayapatti, Salem – 636140 as security in favour of CSB Bank in connection with term loan proposed to be borrowed from CSB Bank by M/s.Sambandam Spinning Mills Limited [CIN: L17111TZ1973PLC000675] and further authorisation to provide the said land and building as security and /or giving of guarantee in favour of one or more banks in connection with the loans borrowed /to be borrowed by the related party M/s.Sambandam Spinning Mills Limited [CIN: L17111TZ1973PLC000675], subject to the maximum aggregate amount of Rs 20 crores [Rupees Twenty Crores only].

The above referred proposal does not attract the provisions of section 188 of Companies Act, 2013 of related party transaction requiring approval of the members, but it comes under the purview of material related party transaction under regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and requires approval of members by way of passing of ordinary resolution. Accordingly, on the recommendation of the Audit Committee, the Board recommends the resolutions as set out in agenda item no.7 to be passed by the members by way of Ordinary Resolutions.

None of the Directors / Key Managerial Personnel or their relatives except Chairman and Non-Executive Director Sri S. Devarajan also being Chairman and Managing Director of M/s.Sambandam Spinning Mills Limited is interested or concerned in this resolution.

Further Details as required under proviso to sub-section 2 of Section 102 of the Companies Act, 2013

Sl. No.	Name of the Director	No. of shares held in M/s.Sambandam Spinning Mills Limited	% of shareholding
1.	S. Devarajan	480524	11.26
2.	S. Devarajan HUF	40895	0.95



**Agenda item No. 8. To alter the objects clause of the Memorandum of Association of the Company**

The proposed resolution for amendment of the Memorandum of Association is to include an enabling provision in the object clause of the Memorandum of Association of the Company to enable the Company to carry on the business of leasing. Pursuant to the provisions of Section 4, 13, 110 and all other applicable provisions, if any, of the Act, read with applicable Rules and Regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), alteration of the Object Clause of the MOA of the Company requires the approval of the members by means of a Special Resolution through Postal Ballot. Accordingly, Board of directors recommends the resolution for members approval by way of passing of special resolution.

Copy of the existing MOA, copy indicating the proposed amendments and other allied documents, if any, being referred in this resolution would be available for inspection by the members, free of cost, at the Registered Office of the Company during business hours on all working days, up to and including the last date of voting through Postal Ballot/e-voting.

None of the Directors / Key Managerial Personnel or their relatives is interested or concerned in this resolution. It is further declared with reference to the proviso to sub-section 2 of Section 102 of the Companies Act, 2013 that the proposed resolutions do not have any bearing with the business of any other company.

By order of the Board of Directors  
**For Kandagiri Spinning Mills Limited**

Place: Salem  
Date : 05<sup>th</sup> January, 2020

**J. Asifa**  
Company Secretary



## KANDAGIRI SPINNING MILLS LIMITED

Post Box No.3, Udayapatti, Salem - 636 140.  
Ph. 0427-2244400; Fax-0427-2244422, CIN : L17111TZ1976PLC000762  
E-mail: sales@kandagirimills.com; ksmcs@kandagirimills.com  
Website : www.kandagirimills.com

### POSTAL BALLOT FORM

*(Please read the instructions printed overleaf carefully before completing this form)*

Serial No: \_\_\_\_\_

1.	Name & Address of the Sole / First Named Member	
2.	Name(s) of Joint holder(s) if any	
3.	Registered Folio No. / *DP ID & Client ID No. (*Applicable for shares in Demat form)	
4.	No. of Equity Shares held	

I/We hereby exercise my/our vote in respect of the Ordinary/Special Resolutions to be passed through postal ballot as detailed in the Notice of the Company dated 05-01-2020, by sending my/our Assent (Yes) or Dissent (No) to the said resolutions by placing the tick ( ) mark in the appropriate column below:-

Item No.	Brief Description of the Resolution	Nature of Resolution	No. of equity shares held	I/We assent to the Resolution (Yes)	I/We dissent to the Resolution (No)
1.	Approval for sale of Plant and Machinery of Unit-1 of the Company	Special			
2.	Approval for Lease of Land and building of Unit-1 of the Company	Special			
3.	Approval for sale of Plant and Machinery of Unit-1 of the Company to Related Party	Ordinary			
4.	Approval for Lease of Land and Building of Unit-1 of the Company to Related Party	Ordinary			
5.	Approval to give loans and/or give guarantees and/or provide securities in connection with loan to any person or Body Corporate and/or make inter-corporate investments	Special			
6.	Approval to provide security and/or giving of guarantee in connection with loans borrowed / to be borrowed by M/s. Sambandam Spinning Mills Limited	Special			
7.	Approval under reg. 23 of SEBI (LODR) Regulations, 2015 for related party transaction of providing security and/or giving of guarantee in connection with loans borrowed/to be borrowed by M/s. Sambandam Spinning Mills Limited	Ordinary			
8.	To alter the objects clause of the Memorandum of Association of the Company	Special			

Note : 1) Kindly read the instructions printed overleaf (next page) before filling this form.  
2) Last date of receipt of this form by the Scrutinizer: 15.02.2020 upto 5.00 p.m.

Place: \_\_\_\_\_

Date : \_\_\_\_\_ 2020

\_\_\_\_\_  
Signature of the Member

#### (ELECTRONIC VOTING PARTICULARS)

- Please refer the detailed instructions for evoting (including e-voting link, EVSN, User id & Password) given under Note No. 10 of the Postal Ballot Notice sent herewith
- E-voting Starting Period : (From) 17.01.2020 at 9.00 a.m  
Ending Period : (To) 15.02.2020 at 5.00 p.m.





### INSTRUCTIONS

1. A member desiring to exercise vote by Postal Ballot shall complete this Postal Ballot Form and send it duly and properly sealed to the Scrutinizer in the self-addressed business reply envelope sent herewith. However, envelopes containing Postal Ballot form, if deposited in person or sent by courier / post at the expense of the member will also be accepted. Members are requested to convey their assent or dissent in this postal Ballot form only. Assent or dissent received in any other form or manner shall be considered as invalid.
2. This Form should be completed and signed by the member (as per the specimen signature registered with the Company / Depository Participant(s)). In case of Joint holding, this form should be completed and signed by the first named member and in his absence, by the next named Member. However, where the form is sent separately by the first named member as well as by the joint holder(s), the vote cast by the first named member would be considered.
3. Duly completed Postal Ballot form should reach the scrutinizer not later than 5.00 P.M. IST on 15.02.2020. All Postal Ballot forms received after this date will be strictly treated as if reply from such member(s) has not been received.
4. There will be only one Postal Ballot Form for every Folio No. / DP ID\_Client ID No. irrespective of the number of Joint Member(s). On receipt of the duplicate Postal Ballot Form, the original will be rejected.
5. In case of shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution / Power of Attorney / attested specimen signatures etc.
6. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed business reply envelope, as all such envelopes will be sent to the scrutinizer and any extraneous paper found in such envelope would be destroyed by the scrutinizer and the Company would not be able to act on the same.
7. In case any member is desirous of obtaining a printed postal ballot form or a duplicate thereof, the same may be requested by sending an e-mail to sales@kandagirimills.com. However, the duly filled-in/signed duplicate postal ballot form should reach the scrutinizer not later than the date and time specified above in Clause No.3 of the Instructions.
8. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected. The scrutinizer's decision on the validity of the Postal Ballot Form will be final and binding.
9. Additionally, please note that the Postal Ballot Forms shall be considered invalid if:
  - a) A form other than one issued by the Company has been used;
  - b) It has not been signed by or on behalf of the member;
  - c) Signature on the postal ballot form doesn't match the specimen signatures registered with the Company;
  - d) It is not possible to determine without any doubt the assent or dissent of the member;
  - e) Neither assent or dissent is mentioned;
  - f) Any competent authority has given directions in writing to the Company to freeze the voting rights of the Member;
  - g) It is defaced or mutilated in such a way that its identity as genuine form cannot be established;
  - h) The member has made any amendment to the Resolution or imposed any condition while exercising his vote.
10. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member(s) as on 05.01. 2020 (cut-off date).
11. A member need not use all his / her votes nor does he/she need to cast his/her votes in the same way.
12. Voting right in Postal Ballot/E-voting cannot be exercised by a proxy.
13. The Company is pleased to offer e-voting facility as an alternate, for all the Members of the Company to enable them to cast their votes electronically instead of returning duly filled-up Postal Ballot Form. Members can opt for only one mode of voting i.e., either by ballot or through E-voting. In case members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot shall be considered invalid.
14. Any query / grievances connected with voting by postal ballot / e-voting, may be addressed to Company Secretary at the Email id and Phone No. of the Company mentioned in both postal ballot form & notice.



# Kandagiri Spinning Mills Ltd.

/TEXT OF NEWSPAPER PUBLICATION/

## KANDAGIRI SPINNING MILLS LIMITED

Corporate Identity Number (CIN): L17111TZ1976PLC000762  
Registered Office: POST BAG NO.3, UDAYAPATTI P.O SALEM – 636 140  
Tel: 0427 2244400 Fax: 0427 2244422  
Email: [sales@kandagirimills.com](mailto:sales@kandagirimills.com) Website: [www.kandagirimills.com](http://www.kandagirimills.com)

### NOTICE OF POSTAL BALLOT

Pursuant to section 108 and 110 and other applicable provisions if any, of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice is hereby given that the Company is seeking members' consent through postal ballot (which includes electronic voting) in respect of all the resolutions stated in the Postal Ballot notice dated 5<sup>th</sup> January, 2020.

The Company has on 14<sup>th</sup> January, 2020 completed sending emails and dispatch of postal ballot notice (along with postal ballot form and postage- prepaid self-addressed business reply envelope) by the permitted mode to all the members. Full text of these documents has also been hosted on the Company's website [www.kandagirimills.com](http://www.kandagirimills.com).

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide electronic voting ("e-voting") facility. **Voting through postal ballot and e-voting shall commence from 17.01.2020 at 9.00 a.m. and end on 15.02.2020 at 5.00 p.m.** Postal ballot forms received after 5.00 p.m on 15.02.2019 will not be valid and voting through postal ballot/e-voting shall not be allowed beyond the said date and time.

Members, whose name recorded in the Register of Members/record of depositories as on the cut-off date i.e. Sunday, 5<sup>th</sup> January, 2020 will be entitled to cast their votes through postal ballot/e-voting. A person who is not a member as on the cut-off date should accordingly treat the Postal ballot notice for information purposes only.

Board of Directors has appointed Shri B. Kalyanasundaram, Practising Company Secretary (Membership No. 672; COP No: 2209) of M/s B. K. Sundaram & Associates, Company Secretaries, as the Scrutinizer for conducting the postal ballot/ e-voting process in a fair and transparent manner.

Any member who has not received postal ballot form may apply to the Company by sending an email to [sales@kandagirimills.com](mailto:sales@kandagirimills.com) and obtain a duplicate thereof. Detailed instructions for postal ballot described overleaf the Postal ballot form.

In case of any queries relating to e-voting, members may also refer to the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Detailed instructions for e-voting described in notes to the postal ballot notice.

The results of the Postal Ballot will be announced on February 17, 2020 and the same will be displayed on the Notice Board at the Registered Office of the Company. The results will also be displayed on the Company's website [www.kandagirimills.com](http://www.kandagirimills.com) and also communicated to BSE simultaneously.

Any query/grievances connected with voting by postal ballot/e-voting, may be addressed to Company Secretary at the Email id and Phone No. of the Company, mentioned above.

By order of the Board  
For Kandagiri Spinning Mills Limited  
J. Asifa  
Company Secretary

Salem  
14.01.2020



CIN : L17111TZ1976PLC000762

Regd. Off: Mill Premises, Udayapatti (P.O), P.B.No.3, Salem – 636 140. Phone : Mill 0427-2244400  
Fax:0427-2244422; Grams: SUPERSPINE; e-mail: [sales@kandagirimills.com](mailto:sales@kandagirimills.com); Web: [www.kandagirimills.com](http://www.kandagirimills.com)

